

S 3805

Paycheck Protection Program Flexibility Act of 2020

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Commerce

Introduced: May 21, 2020

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (May 21, 2020)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/3805>

Sponsor

Name: Sen. King, Angus S., Jr. [I-ME]

Party: Independent • **State:** ME • **Chamber:** Senate

Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Daines, Steve [R-MT]	R · MT		May 21, 2020
Sen. Gardner, Cory [R-CO]	R · CO		May 21, 2020
Sen. Kaine, Tim [D-VA]	D · VA		May 21, 2020
Sen. Stabenow, Debbie [D-MI]	D · MI		May 21, 2020
Sen. Tillis, Thomas [R-NC]	R · NC		May 21, 2020
Sen. Cornyn, John [R-TX]	R · TX		Jun 1, 2020
Sen. Reed, Jack [D-RI]	D · RI		Jun 1, 2020
Sen. Sinema, Kyrsten [D-AZ]	D · AZ		Jun 1, 2020

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	May 21, 2020

Subjects & Policy Tags

Policy Area:

Commerce

Related Bills

Bill	Relationship	Last Action
116 HR 7010	Related bill	Jun 5, 2020: Became Public Law No: 116-142.

Paycheck Protection Program Flexibility Act of 2020

This bill modifies provisions related to the forgiveness of loans made to small businesses under the Paycheck Protection Program implemented in response to COVID-19 (i.e., coronavirus disease 2019).

Specifically, the bill establishes a minimum maturity of five years for a paycheck protection loan that has a remaining balance after the application of forgiveness. The bill also extends the covered period during which the recipient of a paycheck protection loan may use such funds for certain expenses while remaining eligible for forgiveness of the loan.

Further, the bill prohibits the Small Business Administration from limiting the non-payroll portion of a forgivable covered loan amount. Currently, only 25% of a paycheck protection loan may be allocated to non-payroll expenses such as rent and utilities.

The bill extends the period of time in which an employer may rehire or eliminate a reduction in employment, salary, or wages that would otherwise reduce the forgivable amount of a paycheck protection loan. However, the forgivable amount must be determined without regard to a reduction in the number of employees if the recipient is (1) unable to rehire an employee, (2) able to demonstrate an inability to hire a similarly qualified employee, or (3) able to demonstrate an inability to return to the same level of business activity.

Lastly, the bill eliminates a provision that makes a paycheck protection loan recipient who has such indebtedness forgiven ineligible to defer payroll tax payments.

Actions Timeline

- **May 21, 2020:** Introduced in Senate
- **May 21, 2020:** Read twice and referred to the Committee on Finance.